



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE SUITE 1000
WASHINGTON, DC 20374-5065

IN REPLY REFER TO
ACQ 021
12 Jul 00

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: REVIEW OF SMALL BUSINESS PARTICIPATION IN BUNDLING
CONTRACT REQUIREMENTS (00-30)

Encl: (1)DON OSADBU memo of 6 Jul 00

1. As stated in enclosure (1), the DOD Office of Small and Disadvantaged Business Utilization is working with the Director of Defense Procurement to establish necessary policy and procedures to comply with USD memo of June 7, 2000 relating to review of bundled contract requirements. In the meantime, please ensure small business specialists are included in the acquisition planning process, especially for those acquisitions involving contract consolidations or contract bundling.

A handwritten signature in black ink, appearing to read "M. F. Howard", is positioned above the typed name.

MICHAEL F. HOWARD
Director, Strategic Management
Community Management Section



DEPARTMENT OF THE NAVY
SMALL AND DISADVANTAGED BUSINESS UTILIZATION
WASHINGTON NAVY YARD
720 KENNON STREET, SE
WASHINGTON, DC 20374-5015

July 6, 2000

MEMORANDUM FOR COMMANDER, NAVAL AIR SYSTEMS COMMAND
COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND
COMMANDER, NAVAL SEA SYSTEMS COMMAND
COMMANDER, NAVAL SUPPLY SYSTEMS COMMAND
COMMANDER, SPACE AND NAVAL WARFARE SYSTEMS
COMMAND
COMMANDER, MARINE CORPS SYSTEMS COMMAND
COMMANDANT, HEADQUARTERS, U.S. MARINE CORPS
COMMANDER, MILITARY SEALIFT COMMAND
CHIEF OF NAVAL RESEARCH
COMMANDER, STRATEGIC SYSTEMS PROGRAMS

Subj: REVIEW OF SMALL BUSINESS PARTICIPATION IN BUNDLING
CONTRACT REQUIREMENTS

Ref: (a) DEPSECDEF Memo of 28 Oct 1996, Consolidation of Contract Requirements
(b) ASN (RDA) Memo of 18 Feb 1994, Consolidation of Contract Requirement
(c) SBA's Interim Rule of 27 Dec 1999, Contract Bundling

Encl: (1) USD Memo of 7 Jun 2000, Review of Small Business Participation in Bundled
Contract Requirements

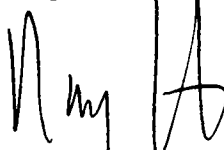
References (a) and (b) emphasize the need to consider the impact of requirements consolidations on the small business community and outlines necessary steps to be taken to maintain the Navy's commitment to foster small business participation in our acquisition program.

The Small Business Reauthorization Act of 1997 (P.L. 105-135) restated the Small Business Administration's (SBA's) authority to appeal procuring agency decisions that adversely affect small businesses. Reference (c), published in the *Federal Register* on 25 October 1999 with an effective date of 27 December 1999, reemphasizes the need for consideration of small business participation in acquisition planning. The interim rule also establishes detailed procedures involving bundled requirements.

Concerned with increased contract consolidations and continuing congressional interest with contract bundling, enclosure (1) was issued. The DOD Office of Small and Disadvantaged Business Utilization is working with the Director of Defense Procurement to establish necessary policy and procedures to comply with enclosure (1). In the meantime, it is recommended that acquisition activities ensure that small business specialists are involved in all acquisition planning; especially those acquisitions involving contract consolidations or contract bundling.

**Subj: REVIEW OF SMALL BUSINESS PARTICIPATION IN BUNDLING
CONTRACT REQUIREMENTS**

Questions may be directed to Mr. Glenn Delgado of this office at (202) 685-6485.

A handwritten signature in black ink, appearing to read 'Nancy Tarrant', is positioned above the printed name.

NANCY TARRANT
Director

Copy to:

NAVAIRSYSCOM (Code AIR-09C/2.0C)
NAVFACENGCOM (Linda Wright)
COMNAVSEASYSYSCOM (Code SEA-00K)
COMNAVSUPSYSCOM (Mark Opilla)
COMSPAWARSYSYSCOM Code SPAWAR 00K)
HQ USMC (Code L-2)
COMMARCORPSSYSYSCOM (Code SBS)
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SSPO (Code SP-01G1)



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE

**3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010**

JUN 7 2000

MEMORANDUM FOR SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE
DIRECTOR, DEFENSE LOGISTICS AGENCY
DEPUTY UNDER SECRETARY OF DEFENSE,
INSTALLATIONS
DEPUTY UNDER SECRETARY OF DEFENSE,
ACQUISITION REFORM
DEPUTY UNDER SECRETARY OF DEFENSE,
INDUSTRIAL AFFAIRS
DIRECTOR, SMALL AND DISADVANTAGED
BUSINESS UTILIZATION
DIRECTOR, ACQUISITION RESOURCES AND
ANALYSIS
DIRECTOR, DEFENSE PROCUREMENT

SUBJECT: Review of Small Business Participation in Bundled Contract Requirements

Bundling of contract requirements may, in some instances, provide substantial benefits to the Department of Defense. However, the potential impact of bundling on small business participation in our acquisitions and the possible deleterious long term effects on the Defense Industrial Base require special emphasis on ensuring that small businesses are provided the maximum practicable opportunity to participate in bundled contracts at both the prime and subcontract levels. Accordingly, the Director of the Office of Small and Disadvantaged Business Utilization (OSADBU) is directed to brief me periodically on the impact of bundling contract requirements on small business participation in our acquisitions.

Effective immediately, thirty days prior to the release of any solicitation or draft solicitation involving bundled contract requirements as defined by the Federal Acquisition Regulation, the following documents will be provided to the OUSD (A,T&L), OSADBU for review:

- a. acquisition strategy/ acquisition plan,
- b. bundling justification,
- c. solicitation (draft or actual).

The Director, OSADBU will provide the mailing address and other information necessary to forward documents for review.

Your support of this effort is appreciated.

Dave Oliver

